

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

870



FROM: Executive Office

SUBMITTAL DATE:
September 16, 2013

SUBJECT: FY 2013-14 Teeter Series D and Taxable Series E Notes

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the execution of the attached contract for fiscal agent services performed by C.M. de Crinis and Co., Inc. in the amount of \$65,000.

BACKGROUND:

Summary

On September 10, 2013 the Board of Supervisors approved Resolution 2013-222 authorizing the issuance of Teeter Series D and Taxable Series E Notes. To coordinate this financing expertise is needed in the area of financial advisor services. The County currently has a pool of financial advisors that we have contracts with, C.M. de Crinis and Co., Inc. being one of those. The attached contract is a formality of the financing that was delayed until now for approval.

Departmental Circumstance

Continued on Page 2.


Stephanie Persi
Senior Management Analyst

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 65,000	\$ N/A	\$ 65,000	\$ N/A	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	
SOURCE OF FUNDS: Teeter Tax Loss Reserve Fund				Budget Adjustment: No	
				For Fiscal Year: 2013-14	

C.E.O. RECOMMENDATION:

APPROVE

BY: 
Ivan M. Chand 9/17/2013

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 3.9 on 9/10/13 | **District:** ALL | **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3-11

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: FY 2013-14 Teeter Series D and Taxable Series E Notes**

DATE: September 16, 2013

PAGE: 2 of 2

BACKGROUND:

Impact on Citizens and Businesses

None.

Contract History and Price Reasonableness

C.M. de Crinis currently has a contract with the County for financial advisor services that expires on August 8/31/2015. In 2015, the Executive Office will solicit a new bid for financial advisor services.

**AGREEMENT FOR PROFESSIONAL SERVICES
(C.M. DE CRINIS & CO., INC - Financial Advisor)**

THIS AGREEMENT (the "Agreement") is entered into this 3rd day of September 2013, by and between the County of Riverside, a political subdivision of the State of California (the "County"), and C.M. de Crinis & Co., Inc., a California corporation (the "Consultant").

WHEREAS, Government Code Section 31000 authorizes the County to contract for special services with a person who is specially trained and experienced, and who is competent to perform the special services required; and

WHEREAS, the County desires to retain a financial advisor to assist in the planning, structuring and financing of the Teeter program; and

WHEREAS, the Consultant has the expertise, special skills, knowledge and experience to perform the duties set out herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. **Scope of Services:** In consideration of the compensation hereinafter set forth in Paragraph 3 below, the Consultant shall provide services as described in Exhibit A, consisting of five (5) pages and attached hereto. The Consultant covenants that the principals who will be providing the special services are persons specially trained, experienced, expert and competent to provide the services as described in Exhibit A.

1.1 Services performed for the County by the Consultant that are not otherwise specifically identified in Exhibit A to this Agreement, shall be additional services. Additional services include, but are limited to the following:

- A. Assisting the County in obtaining enabling legislation or conducting referendum elections.
- B. Extraordinary services and extensive computer analysis in the structuring or planning of any debt issue or financing program.
- C. The repeat of any element of a service described in Exhibit A to this Agreement that is made necessary through no fault of the Consultant.
- D. Financial management services, including development of financial policies, capital improvement plans, economic development planning, credit analysis or review and such other services that are not ordinarily considered within the scope of services described in Exhibit A.

E. Services rendered in connection with any undertaking of the County relating to a continuing disclosure agreement entered into in order to comply with Securities and Exchange Commission Rule 15c2-12 or other similar rules.

F. Services rendered to the County in connection with calculation or determination of any arbitrage rebate liability arising from investment activities associated with debt issued to fund the Project.

2. **Term of Agreement:** This Agreement shall be effective on the day and year first written above, and be in effect for one (1) year.

3. **Compensation:** As compensation for services to be rendered hereunder in accordance with Exhibit A, the County shall pay the Consultant as follows:

A. For the Consultant's performance of services as described in Paragraph 1 above, the Consultant's compensation will be as provided in Parts 1 and 2 of Exhibit B, consisting of two (2) pages, attached to this Agreement. Fees for hourly services described in Part 2 shall not exceed one hundred thousand dollars (\$100,000), plus the Consultant's expenses incurred in rendering such services. The Consultant's expenses may include, but are not limited to travel, telephone/conference calls, postage, courier, database access services, and printing.

B. For the Consultant's performance of additional services as described in Paragraph 1.1 above, the Consultant's compensation will be as provided in Part 2 of Exhibit B, plus the Consultant's expenses incurred in rendering such services. The Consultant's expenses may include, but are not limited to travel, telephone/conference calls, postage, courier, database access services and printing.

C. Payment for the Consultant's services rendered pursuant to Paragraph 1 of this Agreement shall be as provided for in Exhibit B to this Agreement, unless specified to the contrary elsewhere in this Agreement. When approved, the Consultant may submit monthly invoices for payment for services provided pursuant to Paragraphs 1 and 1.1 above, unless an alternate date or dates have been specifically agreed to in writing. Payment of the Consultant's compensation and expenses is due thirty (30) days after submission of the Consultant's invoice for services.

D. In the event the services of the Consultant are abandoned prior to completion of the Consultant's work, the Consultant shall be compensated for services performed to the point of abandonment as if such services were an additional service pursuant to Paragraph 1.1 above. An act of abandonment shall

be deemed to have occurred when there has been a written notification to the Consultant of an abandonment of the Project by the County.

E. The Consultant fees set forth in this Agreement and the Exhibits are guaranteed by the Consultant for a period of twelve (12) months. Any request to increase fees, must be submitted in writing, and approved by the County Executive Officer or his designee.

4. **Independent Contractor:** The parties intend that in performing services herein specified the Consultant shall act as an independent contractor, having control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of the County and is not entitled to participate in any medical insurance, retirement funds or similar employee benefits that the County provides for its employees. The Consultant is responsible for the compliance with the payment of employer-related taxes, business licenses, and insurance on the Consultant's own behalf and for the Consultant's employees, if any, including, but not limited to, federal and state income taxes, federal and state unemployment insurance, workers compensation insurance, adequate property damage and personal liability insurance, and Social Security (FICA) taxes, the cost of which is not reimbursable under this Agreement.

4.1 The sole interest and responsibility of the County is to assure that the services covered by this Agreement shall be performed and rendered in a competent, professional and satisfactory manner. The Consultant shall perform all of its obligations hereunder in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken.

5. **Hold Harmless - Indemnification:** Consultant shall indemnify and hold County of Riverside, and its special districts, respective directors, officers, Board of Supervisors, Board of Directors, Legislative Body, elected or appointed officials, employees, agents or representatives, collectively the "Indemnified Parties", harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorney's fees, and all court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of or by reason of or arising out of or in consequence of (a) the use of the Consultant's work product required by this Agreement, (b) the untruth or inaccuracy of any representation or warranty made by the Consultant, or in any certifications delivered or required to be delivered by the Consultant hereunder, or their respective officers, employees or agents, in connection with the work produce required by this Agreement, save and except claims and litigation arising from the negligence or willful misconduct of the County. If the Consultant fails to do so, the County shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including any attorney fees or court costs, to and recover the same from the Consultant

6. **Insurance:** Without limiting or diminishing the Consultant's obligation to indemnify or hold the County harmless, Consultant shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement. The following insurance requirements may be met with a program of self-insurance.

A. **Workers' Compensation:**

Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. **Commercial General Liability:**

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, completed operations covering claims which may arise from or out of Consultant's performance of its obligations hereunder. Policy shall name the County of Riverside, special districts, their respective directors, officers, Board of Supervisors, Board of Directors, Legislative Body, elected or appointed officials, employees, agents or representatives as "additional insureds". Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. **Vehicle Liability:**

If Consultant's vehicles are used in the performance of the obligations under this Agreement, then Consultant shall maintain liability insurance for all non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, special districts, their respective directors, officers, Board of Supervisors, Board of Directors, Legislative Body, elected or appointed officials, employees, agents, or representatives as "additional insured".

D. **Professional Liability Insurance:**

Consultant shall maintain Professional Liability Insurance providing coverage for the Consultant's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$1,000,000 annual aggregate. If Consultant's Professional Liability Insurance is

written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and Consultant shall purchase at its sole expense either (i) an Extended Reporting Endorsement (also known as Tail Coverage); (ii) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or (iii) demonstrate through certificates of insurance that Consultant has maintained continuous coverage with the same or original insurer. Coverage provided under items (i), (ii) or (iii) will continue for a period of one (1) year beyond the termination of this Agreement.

E. General Insurance Provisions - All lines:

1.) Any insurance carrier providing insurance coverage hereunder shall be approved to provide insurance coverage in the State of California or shall be admitted to the State of California unless waived, in writing by the County's Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A: VIII (A: 8).

2.) The Consultant's insurance carrier(s) must declare insurance deductibles or self-insured retentions and such deductibles and retentions shall have the prior written consent from the County's Risk Manager. Failure of the Consultant's carriers to declare deductibles or self insured retentions to the County shall waive any obligation of the County, as "additional insured," to honor said deductibles or self insured retentions in the event of Consultant's insolvency. Upon notification of deductibles or self insured retentions unacceptable to the County, at the election of the County's Risk Manager, Consultant's carriers shall either; (i) reduce or eliminate such deductibles or self-insured retention's as respects this Agreement with the County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

3.) Cause Consultant's insurance carrier(s) to furnish the County of Riverside with either (i) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein, or (ii) if requested to do so in writing by the County's Risk Manager, provide original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days' written notice shall be given to the County prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing

coverages set forth herein and the insurance required herein is in full force and effect.

4.) ***Consultant shall not commence operations until the County has been furnished original certificate (s) of insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Paragraph 6. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.***

5.) It is understood and agreed to by the parties hereto and the insurance company(s), that the certificate(s) of insurance and policies shall so covenant and shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

6.) If, during the term of this Agreement or any extension thereof, there is a change in the scope of services or performance of work; or, there is a material change in the equipment to be used in the performance of the scope of work (such as the use of aircraft or watercraft) the County of Riverside reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County's Risk Manager's reasonable judgment, the amount or type of insurance carried by the Consultant has become inadequate.

7. **License and Certification:** The Consultant verifies upon execution of this Agreement possession of a current and valid license in compliance with any local, State, and Federal laws and regulations relative to the scope of services to be performed under Exhibit A, and that service(s) will be performed by properly trained and licensed staff.

8. **Conflict of Interest:** In the event County staff, on behalf of the County or its officials, request specific services to be provided by the Consultant and a potential conflict of interest arises, the Consultant shall notify the County of the potential conflict. The Consultant shall give priority to the County and shall cease the services or actions that would conflict with the Consultant's obligations under this Agreement unless and until the issue is determined not to result in a conflict with the County.

9. **Termination:**

A. Either Party may terminate this Agreement without cause upon thirty (30) days' written notice stating the extent and effective date of termination.

B. County may terminate this Agreement without cause upon thirty (30) days' written notice served upon the Consultant stating the extent and effective date of termination.

C. County may, upon five (5) days' written notice, terminate this Agreement for Contractor's default, if Contractor refuses or fails to comply with the provisions of this Agreement or fails to make progress so as to endanger performance and does not cure such failure within a reasonable period of time. In the event of such termination, the County may proceed with the work in any manner deemed proper to County.

D. After receipt of the Notice of Termination pursuant to paragraphs B or C, above, Contractor shall:

1.) Stop all work under this Agreement on the date specified in the Notice of Termination.

2.) Transfer to County and deliver in the manner, and to the extent, if any, as directed by County, any equipment, data or reports which, if the Agreement had been completed, would have been required to be furnished to County.

E. After termination pursuant to paragraph A or B above, County shall make payment for all services performed in accordance with this Agreement to the date of termination, a total amount which bears the same ratio to the total maximum fee otherwise payable under this Agreement as the services performed actually bears to the total services necessary for performance of this Agreement.

F. The rights and remedies of County provided in this Paragraph 9 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

10. **Assignment:** This Agreement may not and shall not be assigned by the Consultant without prior written consent of the County. This includes the ability to subcontract all or a portion of its rights, duties and obligations hereunder.

11. **Nondiscrimination:** The Consultant shall not discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this contract, and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), and the Federal Civil Rights Act of 1964 (P.L. 88-352).

12. **Administration:** The County Executive Officer, or his designee, shall administer this Agreement on behalf of the County.

13. **Alteration:** No alteration or variation in the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

14. **Waiver:** Any waiver by the County of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent breach of the same or of any other term hereof. Failure on the part of the County to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or stopping the County from enforcement hereof.

15. **Work Product:** All reports, preliminary findings, or data assembled or compiled by the Consultant under this Agreement become the property of the County. The County reserves the right to authorize others to use or reproduce such materials. Therefore, such materials may not be circulated in whole or in part, nor released to the public, without the direct authorization of the Chief Executive Officer or an authorized designee.

16. **Confidentiality:** The Consultant shall comply with applicable laws and regulations regarding the confidentiality of the County's records.

17. **Jurisdiction, Venue, Attorney's Fees:** This Agreement is to be construed under the laws of the State of California. The parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the Agreement, the prevailing party shall be entitled to the Attorney's fees in addition to whatever other relief is granted.

18. **Severability:** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

19. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed to be superceded hereby. Any modifications to the terms of this Agreement must be in writing and signed by the parties herein.

20. **Approval:** The Consultant warrants and represents that the execution and delivery of this Agreement and the performance of its covenants and obligations have been duly authorized by all necessary partnership and/or corporate action and formalities. The Consultant further warrants and represents that neither the execution nor the delivery of this Agreement nor the consummation of its terms will constitute default, violation or breach of an agreement to which the Consultant or its partners may be bound. The Consultant further warrants and represents that the individual executing this Agreement on behalf of the Consultant is duly authorized to do so.

21. **Notices:** All written notices, statements, demand, consents, approvals, or other communications required or contemplated by this Agreement shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County: County Executive Office
Ivan Chand, Deputy County Executive Officer
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Telephone: (951) 955-1110
Fax: (909) 955-1034

Consultant: C.M. de Crinis & Co., Inc.
100 No. Brand Ste. 605
Glendale, CA 91203
Tel: 818-385-4900
Cell: 909-496-9022
www.cmdecrinis.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

IN WITNESS WHEREOF, the parties herein have executed this Agreement on the day and year first above written.

COUNTY OF RIVERSIDE

By: _____
John J. Benoit, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board of Supervisors

By: _____
Deputy

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 9/3/13
DALE A. GARDNER DATE

C.M. DE CRINIS & CO., INC., a California corporation

By: Michael J Williams
Michael J Williams
Chief Financial Officer

**EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT FOR FINANCIAL ADVISOR
BY AND BETWEEN
COUNTY OF RIVERSIDE AND
C.M. DE CRINIS & CO., INC.**

Scope of Services

A. General Services.

The Consultant shall perform all the duties and services specifically set forth herein and shall provide such other services as it deems necessary or advisable, or are reasonable and necessary to accomplish the intent of this Agreement in a manner consistent with the standards and practice of professional financial advisors prevailing at the time such services are rendered to the County.

The County may, with the concurrence of Consultant, expand this Agreement to include any additional services not specifically identified within the terms of this Agreement. Any additional services may be described in an addendum to this Exhibit A and are subject to fees described in Exhibit B to this Agreement.

B. County, Financing Services.

At such time as the county requests the assistance of Consultant to participate in initial meetings, conference calls or is requested to provide initial review of any proposed financing or funding project, the Consultant will commence the financial planning activities which may include, but shall not be limited to, the following:

1. Preliminary Survey

- a. Consultant will confer with County staff, County Counsel and others as requested, to define and identify preliminary goals and objectives of all parties.
- b. Consultant will confer with County staff, bond counsel, consultants, and other interested parties to assist in the formulation of a coordinated funding, financing and/or refinancing plan.
- c. Consultant will create a procedural, financing and/or refinancing timetable.
- d. Consultant will work with County staff to determine protocols for engaging other professional services providers, including special tax consultant, assessment engineer, appraiser, market absorption analyst, underwriter, etc.

2. Attendance at Meetings/Work Sessions

- a. Consultant will participate in conference calls and attend meetings to assist the County and proponent to select other professional service providers.
- b. Consultant will attend meetings and work sessions to explain issues related to any procedural process and related topics.

3. Consultation/Advice

Consultant will be available to the County for general consultation and advice.

4. Review and Comment on Documents

Consultant will assist in the development, review, and analysis of various documents. These documents include various legal documents and related policies.

5. Management

Under direction of County staff, the Consultant will act to schedule and coordinate meetings, prepare agendas, arrange for conference calls and other actions to meet the financing needs of the County.

C. Debt Issuance Services.

At such time as the authority to issue indebtedness has been identified or created, the Consultant shall assume primary responsibility for assisting the County in coordinating the planning and execution of each debt issue. Insofar as the Consultant is providing services which are rendered only to the County, public financing district, joint powers authority or other related public agency, the overall coordination of the financing shall be such as to minimize the costs of the transaction coincident with maximizing the County's financing flexibility and capital market access. The Consultant's proposed debt issuance services may include, but shall not be limited to, the following:

- Establishment of the Financing Objectives
- Development of the Financing Timetable
- Monitoring Transaction Process
- Review of Official Statement, both preliminary and final
- Procurement and Coordination of Additional Service Providers
- Financial Advice to the County related to Financing Documents
- Sizing and Structure of the Debt Issue
- Rating Agency Presentation and Investor Briefings
- Credit Enhancement Procurement and Evaluation
- Market Analysis and Timing of Market Entry
- Recommendations for Award of Debt Issuance
- Pre-Closing and Closing Assistance

Specifically, Consultant will:

1. Establish the Financing Objectives.

At the onset of the financing transaction process, the Consultant shall review the County's financing needs and in conjunction with County's staff management, outline the objectives of the financing transaction to be undertaken and its proposed form.

Unless previously determined, Consultant shall recommend the method of sale of debt and outline the steps required to achieve efficient market access.

2. Development of Financing Timetable.

The Consultant shall take the lead role in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses.

3. Monitoring Transaction Process.

The Consultant shall assist in the successful implementation of the financing strategy and timetable that is adopted for each debt issue. The Consultant shall coordinate (and assist, where appropriate) in the preparation of the legal and disclosure documents and shall monitor the progress of all activities leading to the sale of debt. The Consultant shall prepare the timetables and work schedules necessary to achieve this end in a timely, efficient and cost-effective manner and will coordinate and monitor the activities of all parties engaged in the financing transaction.

4. Review of Official Statement.

Generally, SEC, MSRB, and GFOA guidelines encourage full disclosure so that potential investors have sufficient data to analyze each proposed financing. Upon direction of the County, the Consultant shall participate in the review of the official statement for each debt issue.

If a competitive sale and if Consultant is requested to prepare the official statement, Consultant shall perform such services. The Consultant shall maintain and update the official statement on its word processing system until such time as it is near final and suitable for transfer to the financial printer, in order to minimize the costs of revisions made by the printer.

5. Procurement and Coordination of Additional Service Providers.

Should the County desire, the Consultant may act as County's representative in procuring the services of financial printers for the official statement and related documents, and for the printing of any securities. In addition, the Consultant may act as the County's representative in procuring the services of trustees, paying agents, fiscal agents, feasibility consultants, escrow verification agents or other professionals, if the County staff directs.

6. Financial Advice to the County Related to Financing Documents.

If requested, the Consultant shall assist the managing underwriters, bond counsel and/or other legal advisors in the drafting of the respective financing resolutions, notices and other legal documents. In this regard, the Consultant shall monitor document preparation for a consistent and accurate presentation of the recommended business terms and financing structure of each debt issue, it being specifically understood however that the Consultant's services shall in no manner be construed as the Consultant engaging in the practice of law.

7. Sizing and Structure of Debt Issue.

The Consultant shall work with the County's staff to design a financing structure for each debt issue that is consistent with the County's objectives and the proponent needs, that coordinates each transaction with outstanding issues and that reflects current conditions in the capital markets.

8. Rating Agency Presentation and Investor Briefings.

If it is determined that one or more series of securities are ratable, the Consultant shall develop a plan for presenting the financing program to the rating agencies and the investor community. The Consultant shall schedule rating agency visits, if appropriate; to assure the appropriate and most

knowledgeable rating agency personnel are available for the presentation and will develop presentation materials and assist the County officials in preparing for the presentations.

9. Credit Enhancement Procurement and Evaluation.

Upon the County's direction, and if required, the Consultant will initiate discussions with bond insurers, letter of credit providers and vendors of other forms of credit enhancements to determine the availability of and cost benefit of securing financing credit support.

10. Market Analysis and Timing of Market Entry.

The Consultant shall provide regular summaries of current municipal market conditions, trends in the market and how these may favorably or unfavorably affect the County's proposed financing.

a. Competitive Sales.

For all types of competitive sale of debt, the Consultant shall undertake such activities as are generally required for sale of securities by competitive bid including, but not limited to the following:

- Review and comment on terms of Notice of Sale Inviting Bids
- Provide advice on debt sale scheduling
- Provide advice on the use of electronic bidding systems
- Coordinate bid opening with the County officials
- Verify bids received and make recommendations for acceptance
- Provide confirmation of issue sizing, based upon actual bids received, where appropriate
- Coordinate closing arrangements with the successful bidder(s)

b. Negotiated Sales.

In the case of a negotiated sale of debt, the Consultant shall perform a thorough evaluation of market conditions preceding the negotiation of the terms of the sale of debt and will assist the County staff with the negotiation of final issue structure, interest rates, interest cost, reoffering terms and gross underwriting spread and provide a recommendation on acceptance or rejection of the offer to purchase the securities. This assistance and evaluation will focus on the following areas as determinants of interest cost:

- Size of financing
- Sources and uses of funds
- Terms and maturities of the debt issue
- Review of the rating in pricing of the debt issue
- Investment of debt issue proceeds
- Distribution mix among institutional and retail purchasers
- Interest rate, reoffering terms and underwriting discount with comparable issues
- Redemption provisions

11. Recommendations for Award of Debt Issuance.

Based upon activities outlined in Task 10(a) and 10(b) above, the Consultant will recommend accepting or rejecting offers to purchase the debt issue. If the County elects to award the debt issue, the Consultant will instruct all parties and help facilitate the actions required to formally consummate the award.

12. Pre-Closing and Closing Assistance.

The Consultant shall assist in arranging for the closing of each financing. The Consultant shall assist counsel in assuming responsibility for such arrangements as are required, including arranging for or monitoring the progress of bond printing, qualification of issues for book-entry status, signing and final delivery of the securities and settlement of the costs of issuance.

D. Special Financing Services.

The Consultant shall assist the County, as needed and as requested, in identifying and procuring special financial related services that may be needed.

**EXHIBIT B
TO
FINANCIAL ADVISORY SERVICES AGREEMENT
BY AND BETWEEN
THE COUNTY OF RIVERSIDE AND
C.M. DE CRINIS & CO., INC.**

Fees and Expenses

Part 1: Fee for Debt Issuance Services

Financial advisory services performed pursuant to Section 1 of this Agreement for the sale of each series of debt, and as more fully described in Section C of the Scope of Services set forth in Exhibit A, will be billed for at the amounts set forth below:

<u>Par Value/Each Series of Debt</u>			<u>Base Fees</u>
\$0	to	\$2,499,999	\$47,500
2,500,000	to	4,999,999	47,500
5,000,000	to	7,499,999	47,500
7,500,000	to	9,999,999	47,500
10,000,000	to	12,499,999	47,500
12,500,000	to	14,999,999	47,500
15,000,000	to	17,999,999	47,500
18,000,000	to	19,999,999	47,500
20,000,000	to	24,999,999	47,500
above 25,000,000			47,500

Payment of fees earned by Consultant pursuant to this Part 1, shall be contingent on, and due at the closing of the debt issue(s) undertaken to finance and/or refinance each series of debt and as a contingent flat fee, shall not be subject to the limitation on hourly fees set forth in Section 3.A.

Part 2: General and Other Services

Unless agreed to otherwise, financial advisory services performed pursuant to services outlined in Sections B and D of Exhibit A to this Agreement will be billed at the then current hourly rates. The table below reflects the rates in effect as of the date of execution of this Agreement.

<u>Personnel</u>	<u>Hourly Rate</u>
Managing Directors	\$297.00
Principals/Senior Vice Presidents	\$240.00
Vice Presidents	\$185.00
Assistant Vice Presidents/Senior Associates	\$170.00
Associates of the Firm	\$135.00
Administrative Assistants	\$80.00
Clerical (Other)	\$35.00

Expenses

Expenses will not be billed for separately for, among other things, conference calls, travel, lodging, subsistence, overnight courier, computer, and fax transmission charges. A surcharge of 5% of the net fee amount is added to all costs described above and out-of-pocket costs such as telephone, postage, document reproduction and the like.

Limiting Terms and Conditions

The above fees are based on completion of each financing within nine months of the County's authorization to proceed, and assumes that the County will provide all necessary information in a timely manner. Any financial advisory services provided thereafter will be billed at the then current hourly rates but will be paid pursuant to paragraph three of Part 1.